

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

HOU-TEX BUILDERS, LLC, *et al.*,¹

DEBTORS.

§
§
§
§
§
§

Case No. 18-34658
Chapter 11

NOTICE OF FINAL ORDER AUTHORIZING DEBTORS TO OBTAIN CREDIT

[Related to ECF No. 36]

PLEASE TAKE NOTICE that on September 7, 2018, the Bankruptcy Court entered the *Interim Order Authorizing Debtors to Obtain Credit* [ECF 36] (the “Interim Order”). The Interim Order provides in relevant part: “The Debtors shall file on the docket in the above-referenced jointly administered bankruptcy cases a proposed Final Order Authorizing Debtors to Obtain Credit and Use Proceeds by September 20, 2018.”

PLEASE TAKE FURTHER NOTICE THAT the proposed Final Order Authorizing Debtors to Obtain Credit and Use Proceeds is attached hereto as Exhibit A. A redline reflecting the changes made to the proposed order is attached hereto as Exhibit B.

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¹ The names of the debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Houtex Builders, LLC (2111), 2203 Looscan, LLC (1418) and 415 Shadywood, LLC (7627).

Dated: September 20, 2018

Respectfully submitted,

DIAMOND McCARTHY LLP

/s/ Charles M. Rubio

Charles M. Rubio

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*Proposed Counsel to Debtors
and Debtors-In-Possession*

EXHIBIT A

Proposed Final Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
HOU-TEX BUILDERS, LLC, <i>et al.</i> , ¹	§	Case No. 18-34658
	§	Chapter 11
DEBTORS.	§	
	§	
	§	
	§	

FINAL ORDER AUTHORIZING DEBTORS TO OBTAIN CREDIT

The Court, having considered the *Motion for Authority To Obtain Credit* [Dkt. No. 5] (the “Motion”) filed by Houtex Builders, LLC; 415 Shadywood, LLC and 2203 Looscan Lane, LLC (collectively, the “Debtors”),² any responses to the Motion, the statements of counsel, and the record in this case, and having held a hearing on the Motion, finds that: (a) it has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (c) the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties-in-interest; (d) proper and adequate notice of the Motion and hearing thereon has been given and no other or further notice is necessary; and (e) good and sufficient cause exists for the granting of the relief requested. Therefore, it is ORDERED that:

1. The Debtors are authorized to borrow funds from Charles C. Foster (the “Lender”) pursuant to the terms of the commitment letter attached hereto as Exhibit A (the “Commitment Letter”) as follows:

A. The Debtor Houtex Builders, LLC (“Houtex”) is authorized to incur debt in the principal sum not to exceed \$60,000.00 (the actual amount borrowed together with interest,

¹ The names of the debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Houtex Builders, LLC (2111), 2203 Looscan, LLC (1418) and 415 Shadywood, LLC (7627).

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

the “Houtex Loan”) and shall be entitled to use the proceeds to pay all ordinary and necessary expenses in the ordinary course of its business for the purposes contained in the budget (the “Base Houtex Budget”) attached as Exhibit B-1; provided that for the period following the conclusion of the Base HouTex Budget, Houtex is authorized to borrow such additional amounts from the Lender in the amounts, for the periods and for the purposes set forth in Exhibit B-2 (the “Supplemental Houtex Budget”, and together with the Base Houtex Budget, the “Houtex Budget”).

B. The Debtor 215 Shadywood, LLC (“Shadywood”) is authorized to incur debt in the principal sum not to exceed \$65,000.00 (the actual amount borrowed together with interest, the “Shadywood Loan”) and shall be entitled to use the proceeds to pay all ordinary and necessary expenses in the ordinary course of its business for the purposes contained in the budget (the “Base Shadywood Budget”) attached as Exhibit C-1; provided that for the period following the conclusion of the Base Shadywood Budget, Shadywood is authorized to borrow such additional amounts from the Lender in the amounts, for the periods and for the purposes set forth in Exhibit C-2 (the “Supplemental Shadywood Budget”, and together with the Base Shadywood Budget, the “Shadywood Budget”).

C. The Debtor 2203 Looscan, LLC (“Looscan”) is authorized to incur debt in the principal sum not to exceed \$61,000.00 (the actual amount borrowed together with interest, the “Looscan Loan”) and shall be entitled to use the proceeds to pay all ordinary and necessary expenses in the ordinary course of its business for the purposes contained in the budget (the “Base Looscan Budget”) attached as Exhibit D-1; provided that for the period following the conclusion of the Base Looscan Budget, Looscan is authorized to borrow such additional amounts from the Lender in the amounts, for the periods and for the purposes set forth in Exhibit D-2 (the “Supplemental Looscan Budget”, and together with the Base

Looscan Budget, the “Looscan Budget” and together with the Houtex Budget and Shadywood Budget, the “Budgets”).

2. Unused amounts under the Budgets roll forward and are available to the Debtors for future periods under the Budgets.

3. The Lender is hereby granted administrative expense claims pursuant to § 503(b) and 507(b) of the Bankruptcy Code as follows:

A. With respect amounts owed to the Lender under the Houtex Loan, the Lender will receive an administrative expense claims against Debtor Houtex Builders, LLC.

B. With respect to amounts owed to the Lender under the Shadywood Loan, the Lender will receive an administrative expense claim against Debtor 215 Shadywood, LLC.

C. With respect to amounts owed to the Lender under the Looscan Loan, the Lender will receive an administrative expense claim against Debtor 2203 Looscan, LLC.

provided that, the administrative expense claim will be subject to and subordinate to the administrative expense claims for the items incurred and paid for pursuant to the Budgets.

4. The Lender is hereby granted a lien on property of the Debtors’ estates that is not otherwise subject to a lien.

5. The Lender is granted a junior lien on property of the estate that is subject to a lien; provided that the Debtors reserve their rights to challenge the validity of any pre-petition liens and associated claims and/or avoid the liens by an avoidance action.

6. For paragraphs 4 and 5, the liens for the Houtex Loan are on the property of Houtex, the liens for the Shadywood Loan are on the property of Shadywood, and the liens for the Looscan Loan are on the property of Looscan; the liens are not cross-collateralized between the Debtors.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted by this order.

8. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this order.

SIGNED this _____ day of _____, 2018.

UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Commitment Letter

[INSERT]

Charles C. Foster
17 Courtlandt Place
Houston, Texas 77006
713.335.3904
cfoster@FosterGlobal.com

August 23, 2018

HOUTEX Builders, LLC
17 Courtlandt Place
Houston, Texas 77006

415 Shadywood, LLC
17 Courtlandt Place
Houston, Texas 77006

2203 Looscan Lane, LLC
17 Courtlandt Place
Houston, Texas 77006

Re: Funding Commitment

Ladies and Gentlemen:

HOUTEX Builders, LLC, 415 Shadywood, LLC and 2203 Looscan Lane, LLC (collectively, the “Debtors”) intend to file voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 – 1532 (as amended, the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Bankruptcy Court”) commencing chapter 11 cases (the “Chapter 11 Cases”) on August 23, 2018.

Pursuant to the terms and conditions set forth herein Charles Foster (“Lender”) has committed to loan up to \$186,000.00 (the “Commitment”) to the Debtors as follows:

1. Up to \$60,000.00 to HOUTEX Builders, LLC (the actual amount loaned together with any applicable interest and fees, the “Houtex Loan”);
2. Up to \$65,000.00 to 415 Shadywood, LLC (the actual amount loaned together with any applicable interest and fees, the “Shadywood Loan”);
3. Up to \$61,000.00 to 2203 Looscan Lane, LLC (the actual amount loaned together with any applicable interest and fees, the “Looscan Loan”).

Use of Proceeds. The proceeds of the Commitment will be used by the Debtors to pay for the following (the “Permitted Expenses”): (i) the fees and expenses incurred by the Debtors’ professionals in the Chapter 11 Cases, (ii) the fees charged by the Office of the United States

Trustee in connection with the Bankruptcy Cases, and (ii) the items set forth in the budgets attached hereto.

Advances. Upon approval of this Commitment Letter with an order acceptable to the Lender, the Lender shall make advances (each, an “Advance”) to each Debtor up to each Debtor’s respective Commitment amount. The Lender shall make an advance to the Debtor within three business days from the date that the Debtor provides written notice to the Lender that a Permitted Expense has become due and payable. The Advances will incur interest at a rate of three percent (3%) per annum until paid in full.

Lender Protections. The Lender shall have an administrative expense claim against each Debtor for the amounts advanced to such Debtor under this commitment letter and the associated interest. The Lender’s claim against each Debtor will be with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of this title with respect to such Debtor. In addition, the Lender’s claim shall be secured by a Bankruptcy Code §364(d) lien as follows:

1. With respect to the Houtex Loan, the claim shall be secured by a second lien immediately following the first lien of Spirit of Texas Bank on the property known as 3 Thornblade, and the claim will also be secured by a second lien immediately following the first lien of Community Bank on the property known as 2325 Lynbrook;
2. With respect to the Shadywood Loan, the claim will be secured by a second lien immediately following the first lien of Independent Bank on the property known as 415 Shadywood;
3. With respect to the Looscan Loan, the claim will be secured by a second lien immediately following the first lien of Community Bank on the property known as 2203 Looscan Lane.

Conditions. Until and unless the Bankruptcy Court shall have approved in an order acceptable to the Lender the loans set out herein, this commitment shall have no force and effect.

Enforceability. Upon approval by the Bankruptcy Court of this commitment letter, this commitment letter may be enforced by the Debtors against the Lender. Notwithstanding anything to the contrary in this commitment letter, none of the Debtors’ creditors shall have the right to enforce this commitment letter.

Termination. The Lender’s claims shall become immediately due and owing and the Lender’s obligations to make further advance shall immediately terminate upon the first to occur of the following (each a “Termination Event”): (i) any of the Chapter 11 Cases convert to a case under chapter 7 of the Bankruptcy Code, (ii) a chapter 11 trustee is appointed in any of the Chapter 11 Cases, (iii) the confirmation of a plan in the Chapter 11 Cases, (iv) the principal asset of each Debtor is sold pursuant to a Bankruptcy Code § 363 sale, or (v) the date that is six months from the date of this letter; provided however, the Lender is still obligated to fund the fees and expenses of the Debtors’ professionals and the fees charged by the Office of the United

States Trustee in connection with the Bankruptcy Cases incurred, but not yet paid, through the date of the Termination Event.

No Modification; Entire Agreement. This agreement may not be amended, modified or supplemented except by an agreement in writing signed by the Debtors and the Lender and with the approval of the Bankruptcy Court.

Parties in Interest; Third Party Beneficiaries. This letter agreement is for the sole benefit of and shall be binding upon the Lender and the Debtors. Nothing in this commitment letter, express or implied, is intended to or shall confer upon any person other than the Debtors and the Lender any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this letter agreement.

Governing Law; Submission to Jurisdiction; Venue. This commitment letter shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice or conflict of law provision or rule. The parties agree that the Bankruptcy Court has authority to interpret and enforce the terms of this commitment letter. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or proceeding in such court and irrevocably waive and agree not to plead or claim such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

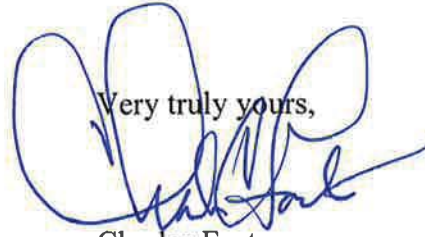
Waiver of Jury Trial. Each party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this commitment letter or the transactions contemplated hereby.

No Assignment. The Commitment evidenced by this commitment letter shall not be assignable by Lender without the Debtors' prior written consent.

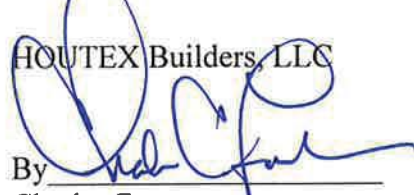
Counterparts. This commitment letter may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this letter delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this commitment letter.

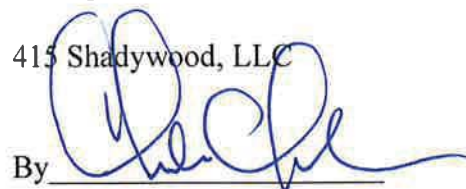
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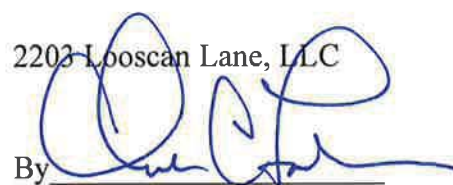
The Lender acknowledges that the Debtors are relying on this Commitment and the Lender agrees to be bound to the terms of the Commitment once approved by the Bankruptcy Court.

Very truly yours,

Charles Foster

ACCEPTED:

HOUTEX Builders, LLC

By _____
Charles Foster
Manager

415 Shadywood, LLC

By _____
Charles Foster
Manager

2203 Looscan Lane, LLC

By _____
Charles Foster
Manager

Houtex Builders LLC
Weekly Cash Forecast

8/19/2018	Week #
Week Start	Week #
Week Ended	Week #

CASH RECEIPTS

Sales Proceeds, net of closing costs

	1	2	3	4	5	6	7	8	9	10	11	12	13	# of Days
	8/20/2018	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018	89
	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018	11/17/2018	Total
\$	60,000	57,727	55,777	42,732	40,667	39,394	36,794	23,749	21,684	20,411	19,176	16,901	1,938	-
\$	-	1,273	2,273	4,223	17,268	19,333	20,606	23,206	36,251	38,316	39,589	40,824	43,099	43,099
\$	1,273	1,000	1,950	13,045	2,065	1,273	2,600	13,045	2,065	1,273	1,235	2,275	14,963	58,062
\$	1,273	2,273	4,223	17,268	19,333	20,606	23,206	36,251	38,316	39,589	40,824	43,099	58,062	-
\$	1,273	1,000	1,950	13,045	2,065	1,273	2,600	13,045	2,065	1,273	1,235	2,275	14,963	58,062
\$	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000	16,825
\$	273		950		1,065	273	950		1,065	273	235		500	-
\$	1,273	1,000	1,950	2,275	2,065	1,273	1,950	2,275	2,065	1,273	1,235	2,275	1,500	5,584
\$	-	-	-	-	-	-	-	-	-	-	-	-	-	22,409
\$	-	-	-	-	-	-	-	-	-	-	-	-	-	650
\$	-	-	-	10,770	-	-	-	10,770	-	-	-	-	13,463	35,003
\$	-	-	-	10,770	-	-	650	10,770	-	-	-	-	13,463	-
\$	1,273	1,000	1,950	13,045	2,065	1,273	2,600	13,045	2,065	1,273	1,235	2,275	14,963	35,653
\$	-	-	-	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	
\$	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	

Houtex Loan Budget

415 Shadywood LLC
Weekly Cash Forecast

	8/19/2018	Week #										
		Week Start										
		Week Ended										

	1	2	3	4	5	6	7	8	9	10	11	12	13	# of Days
	8/20/2018	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018	
CASH RECEIPTS														
Sales Proceeds, net of closing costs														-
														-
DIP CASH RECEIPTS														
Total DIP Availability	65,000	61,434	60,031	45,546	44,143	42,740	40,077	23,543	22,096	20,693	18,680	15,009	99	
DIP Balance	-	1,553	3,566	4,969	19,454	20,857	22,260	24,923	41,457	42,904	44,307	46,320	49,991	49,991
Draw/(Repayment) of DIP	1,553	2,013	1,403	14,485	1,403	1,403	2,663	16,534	1,447	1,403	2,013	3,671	14,910	64,901
Ending DIP Balance	1,553	3,566	4,969	19,454	20,857	22,260	24,923	41,457	42,904	44,307	46,320	49,991	64,901	
TOTAL SOURCES OF CASH														\$ 64,901
CASH DISBURSEMENTS														
G&A Expenses	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000	16,825
Construction vendor/supplier payments	553	403	403	1,396	403	403	403	1,396	403	403	403	1,396	403	8,368
Utilities and insurance		610		44			610	2,093	44		610		44	4,055
TOTAL OPERATING EXPENSES														
	1,553	2,013	1,403	3,715	1,403	1,403	2,013	5,764	1,447	1,403	2,013	3,671	1,447	29,248
CHAPTER 11 RELATED EXPENSES														
U.S. Trustee	-	-	-	-	-	-	-	650	-	-	-	-	-	650
Debtor Legal Fees	-	-	-	10,770	-	-	-	10,770	-	-	-	-	13,463	35,003
First Lien Lender Interest Expense and Lender Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CHAPTER 11 RELATED EXPENSES														
	-	-	-	10,770	-	-	650	10,770	-	-	-	-	13,463	35,653
TOTAL USES OF CASH														
	1,553	2,013	1,403	14,485	1,403	1,403	2,663	16,534	1,447	1,403	2,013	3,671	14,910	
BEGINNING CASH														
	-	-	-	-	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	
ENDING CASH														
	-	-	-	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	

2203 Looscan LLC
Weekly Cash Forecast

8/19/2018	Week #
Week Start	Week #
Week Ended	Week #

CASH RECEIPTS

Sales Proceeds, net of closing costs

	1	2	3	4	5	6	7	8	9	10	11	12	13	# of Days
	8/20/2018	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018	89
	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018	11/17/2018	Total
\$	61,000	58,026	56,629	42,194	40,767	39,370	37,323	22,888	21,461	20,064	18,667	15,002	142	-
\$	-	1,577	2,974	4,371	18,806	20,233	21,630	23,677	38,112	39,539	40,936	42,333	45,998	45,998
\$	1,577	1,397	1,397	14,435	1,427	1,397	2,047	14,435	1,427	1,397	1,397	3,665	14,860	60,858
\$	1,577	2,974	4,371	18,806	20,233	21,630	23,677	38,112	39,539	40,936	42,333	45,998	60,858	60,858
\$	1,577	1,397	1,397	14,435	1,427	1,397	2,047	14,435	1,427	1,397	1,397	3,665	14,860	60,858
\$	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000	16,825
\$	547	397	397	1,390	397	397	397	1,390	397	397	397	1,390	397	8,290
\$	30				30				30					90
\$	1,577	1,397	1,397	3,665	1,427	1,397	1,397	3,665	1,427	1,397	1,397	3,665	1,397	25,205
\$	-	-	-	-	-	-	650	-	-	-	-	-	-	650
\$	-	-	-	10,770	-	-	-	10,770	-	-	-	-	13,463	35,003
\$	-	-	-	10,770	-	-	650	10,770	-	-	-	-	13,463	35,653
\$	1,577	1,397	1,397	14,435	1,427	1,397	2,047	14,435	1,427	1,397	1,397	3,665	14,860	
\$	-	-	-	-	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	
\$	-	-	-	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	
\$	-	-	-	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	

Looscan Loan Budget

Exhibit B

Houtex Budget

[INSERT]

Houtex Builders LLC
Weekly Cash Forecast

8/19/2018	Week #
Week Start	Week #
Week Ended	Week #

CASH RECEIPTS

Sales Proceeds, net of closing costs

	1	2	3	4	5	6	7	8	9	10	11	12	13	# of Days
	8/20/2018	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018	89
	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018	11/17/2018	Total
\$	60,000	57,727	55,777	42,732	40,667	39,394	36,794	23,749	21,684	20,411	19,176	16,901	1,938	-
\$	-	1,273	2,273	4,223	17,268	19,333	20,606	23,206	36,251	38,316	39,589	40,824	43,099	43,099
\$	1,273	1,000	1,950	13,045	2,065	1,273	2,600	13,045	2,065	1,273	1,235	2,275	14,963	58,062
\$	1,273	2,273	4,223	17,268	19,333	20,606	23,206	36,251	38,316	39,589	40,824	43,099	58,062	-
\$	1,273	1,000	1,950	13,045	2,065	1,273	2,600	13,045	2,065	1,273	1,235	2,275	14,963	58,062
\$	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000	16,825
\$	273		950		1,065	273	950		1,065	273	235		500	-
\$	1,273	1,000	1,950	2,275	2,065	1,273	1,950	2,275	2,065	1,273	1,235	2,275	1,500	5,584
\$	-	-	-	-	-	-	-	-	-	-	-	-	-	22,409
\$	-	-	-	-	-	-	-	-	-	-	-	-	-	650
\$	-	-	-	10,770	-	-	-	10,770	-	-	-	-	13,463	35,003
\$	-	-	-	10,770	-	-	650	10,770	-	-	-	-	13,463	-
\$	1,273	1,000	1,950	13,045	2,065	1,273	2,600	13,045	2,065	1,273	1,235	2,275	14,963	35,653
\$	-	-	-	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	
\$	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	

Exhibit B-1: Houtex Loan Budget

Exhibit B-2

Supplemental Houtex Budget

On a weekly basis:

G&A Expenses: \$1,300

Construction vendor/supplier payments: \$0

Utilites and insurance: \$430

On a monthly basis:

Debtor Legal Fees: \$10,700

On a quarterly basis:

U.S. Trustee Fees: Amount required under 28 U.S.C. § 1930(a)(6)

Exhibit C

Shadywood Budget

[INSERT]

**415 Shadywood LLC
Weekly Cash Forecast**

	8/19/2018	Week #
		Week Start
		Week Ended
CASH RECEIPTS		
Sales Proceeds, net of closing costs		
DIP CASH RECEIPTS		
Total DIP Availability		
DIP Balance		
Draw/(Repayment) of DIP		
Ending DIP Balance		
CASH DISBURSEMENTS		
G&A Expenses		
Construction vendor/supplier payments		
Utilities and insurance		
TOTAL SOURCES OF CASH		
TOTAL OPERATING EXPENSES		
CHAPTER 11 RELATED EXPENSES		
U.S. Trustee		
Debtor Legal Fees		
First Lien Lender Interest Expense and Lender Fees		
TOTAL CHAPTER 11 RELATED EXPENSES		
TOTAL USES OF CASH		
BEGINNING CASH		
ENDING CASH		

Exhibit C-2

Supplemental Shadywood Budget

On a weekly basis:

G&A Expenses: \$1,300

Construction vendor/supplier payments: \$650

Utilites and insurance: \$320

On a monthly basis:

Debtor Legal Fees: \$10,700

On a quarterly basis:

U.S. Trustee Fees: Amount required under 28 U.S.C. § 1930(a)(6)

Exhibit D

Looscan Budget

[INSERT]

2203 Looscan LLC
Weekly Cash Forecast

	8/19/2018												
	Week #												
	Week Start												
	Week Ended												
CASH RECEIPTS													
Sales Proceeds, net of closing costs													
DIP CASH RECEIPTS													
Total DIP Availability													
DIP Balance													
Draw/(Repayment) of DIP													
Ending DIP Balance													
CASH DISBURSEMENTS													
G&A Expenses													
Construction vendor/supplier payments													
Utilities and insurance													
CHAPTER 11 RELATED EXPENSES													
U.S. Trustee													
Debtor Legal Fees													
First Lien Lender Interest Expense and Lender Fees													
TOTAL CHAPTER 11 RELATED EXPENSES													
TOTAL USES OF CASH													
BEGINNING CASH													
ENDING CASH													

	1	2	3	4	5	6	7	8	9	10	11	12	13
	8/20/2018	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018
	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018	11/17/2018
\$	61,000	58,026	56,629	42,194	40,767	39,370	37,323	22,888	21,461	20,064	18,667	15,002	142
\$	-	1,577	2,974	4,371	18,806	20,233	21,630	23,677	38,112	39,539	40,936	42,333	45,998
\$	1,577	1,397	1,397	1,397	1,427	1,397	2,047	1,435	1,427	1,397	1,397	3,665	14,860
\$	1,577	2,974	4,371	18,806	20,233	21,630	23,677	38,112	39,539	40,936	42,333	45,998	60,858
\$	1,577	1,397	1,397	1,397	1,427	1,397	2,047	1,435	1,427	1,397	1,397	3,665	14,860
\$	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000	1,000	1,000	2,275	1,000
\$	547	397	397	1,390	397	397	397	1,390	397	397	397	1,390	397
\$	30				30				30				-
\$	1,577	1,397	1,397	3,665	1,427	1,397	1,397	3,665	1,427	1,397	1,397	3,665	1,397
\$	-	-	-	-	-	-	650	-	-	-	-	-	-
\$	-	-	-	10,770	-	-	-	10,770	-	-	-	-	13,463
\$	-	-	-	10,770	-	-	650	10,770	-	-	-	-	13,463
\$	1,577	1,397	1,397	14,435	1,427	1,397	2,047	14,435	1,427	1,397	1,397	3,665	14,860
\$	-	-	-	-	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
\$	-	-	-	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)

Exhibit D-1 Looscan Budget

Exhibit D-2

Supplemental Looscan Budget

On a weekly basis:

G&A Expenses: \$1,300

Construction vendor/supplier payments: \$650

Utilites and insurance: \$10

On a monthly basis:

Debtor Legal Fees: \$10,700

On a quarterly basis:

U.S. Trustee Fees: Amount required under 28 U.S.C. § 1930(a)(6)

EXHIBIT B

Redline

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	
HOU-TEX BUILDERS, LLC, <i>et al.</i> , ¹	§	Case No. 18-34658
	§	Chapter 11
DEBTORS.	§	
	§	
	§	

~~INTERIM~~FINAL ORDER AUTHORIZING DEBTORS TO OBTAIN CREDIT

The Court, having considered the *Motion for Authority To Obtain Credit* [Dkt. No. 5] (the “Motion”) filed by Houtex Builders, LLC; 415 Shadywood, LLC and 2203 Looscan Lane, LLC (collectively, the “Debtors”),² any responses to the Motion, the statements of counsel, and the record in this case, and having held a hearing on the Motion, finds that: (a) it has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (c) the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties-in-interest; (d) proper and adequate notice of the Motion and hearing thereon has been given and no other or further notice is necessary; and (e) good and sufficient cause exists for the granting of the relief requested. Therefore, it is ORDERED that:

1. ~~For the period of time from the Petition Date to the date of the hearing to consider the relief requested in the Motion on a final basis, the~~The Debtors are authorized to borrow funds from Charles C. Foster (the “Lender”) pursuant to the terms of the commitment letter attached hereto as Exhibit A (the “Commitment Letter”) as follows:

¹ The names of the debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Houtex Builders, LLC (2111), 2203 Looscan, LLC (1418) and 415 Shadywood, LLC (7627).

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

A. The Debtor Houtex Builders, LLC (“Houtex”) is authorized to incur debt in the principal sum not to exceed \$60,000.00 (the actual amount borrowed together with interest, the “Houtex Loan”) and shall be entitled to use the proceeds to pay all ordinary and necessary expenses in the ordinary course of its business for the purposes contained in the budget (the “Base Houtex Budget”) attached as Exhibit B-1; provided that for the period following the conclusion of the Base HouTex Budget, Houtex is authorized to borrow such additional amounts from the Lender in the amounts, for the periods and for the purposes set forth in Exhibit B-2 (the “Supplemental Houtex Budget, and together with the Base Houtex Budget, the “Houtex Budget”).

B. The Debtor 215 Shadywood, LLC (“Shadywood”) is authorized to incur debt in the principal sum not to exceed \$65,000.00 (the actual amount borrowed together with interest, the “Shadywood Loan”) and shall be entitled to use the proceeds to pay all ordinary and necessary expenses in the ordinary course of its business for the purposes contained in the budget (the “Base Shadywood Budget”) attached as Exhibit C-1; provided that for the period following the conclusion of the Base Shadywood Budget, Shadywood is authorized to borrow such additional amounts from the Lender in the amounts, for the periods and for the purposes set forth in Exhibit C-2 (the “Supplemental Shadywood Budget, and together with the Base Shadywood Budget, the “Shadywood Budget”).

C. The Debtor 2203 Looscan, LLC (“Looscan”) is authorized to incur debt in the principal sum not to exceed \$61,000.00 (the actual amount borrowed together with interest, the “Looscan Loan”) and shall be entitled to use the proceeds to pay all ordinary and necessary expenses in the ordinary course of its business for the purposes contained in the budget (the “Base Looscan Budget”) attached as Exhibit D-1; provided that for the period following the conclusion of the Base Looscan Budget, Looscan is authorized to borrow such

additional amounts from the Lender in the amounts, for the periods and for the purposes set forth in Exhibit D-2 (the “Supplemental Looscan Budget, and together with the Base Looscan Budget, the “Looscan Budget” and together with the Houtex Budget and Shadywood Budget, the “Budgets”)-attached as Exhibit D.

2. Unused amounts under the Budgets roll forward and are available to the Debtors for future periods under the Budgets.

3. The Lender is hereby granted administrative expense claims pursuant to § 503(b) and 507(b) of the Bankruptcy Code as follows:

A. With respect amounts owed to the Lender under the Houtex Loan, the Lender will receive an administrative expense claims against Debtor Houtex Builders, LLC.

B. With respect to amounts owed to the Lender under the Shadywood Loan, the Lender will receive an administrative expense claim against Debtor 215 Shadywood, LLC.

C. With respect to amounts owed to the Lender under the Looscan Loan, the Lender will receive an administrative expense claim against Debtor 2203 Looscan, LLC.

provided that, the administrative expense claim will be subject to and subordinate to the administrative expense claims for the items incurred and paid for pursuant to the Budgets.

4. The Lender is hereby granted a lien on property of the Debtors’ estates that is not otherwise subject to a lien.

5. The Lender is granted a junior lien on property of the estate that is subject to a lien; provided that the Debtors reserve their rights to challenge the validity of any pre-petition liens and associated claims and/or avoid the liens by an avoidance action.

6. For paragraphs 4 and 5, the liens for the Houtex Loan are on the property of Houtex, the liens for the Shadywood Loan are on the property of Shadywood, and the liens for the

Looscan Loan are on the property of Looscan; the liens are not cross-collateralized between the Debtors.

~~7. This Court shall hold a hearing to consider the relief requested in the Motion on a final basis on September 26, 2018 at 11:00 a.m. (CT) at the United States Bankruptcy Court for the Southern District of Texas, Courtroom 401 before the Honorable Judge Norman (the “Final Hearing”).~~

~~8. Within two business days of entry of this Interim Order the Debtors shall serve, by United States mail, first class postage prepaid, a copy of this Interim Order on the parties having been given notice of the Interim Hearing, and to any other party that has filed a request for notices with this Court.~~

~~9. The Debtors shall file on the docket in the above referenced jointly administered bankruptcy cases a proposed Final Order Authorizing Debtors to Obtain Credit and Use Proceeds by September 20, 2018.~~

~~10. Any party in interest that wants to object to the relief requested in the Motion on a final basis shall file written objections with the Clerk of the Court no later than on September 24, 2018 at 5:00 p.m. (Central Time), which objections shall be served so as to be received on or before such date by: (a) Diamond McCarthy LLP, 909 Fannin, 37th Floor, Two Houston Center, Houston, Texas 77010, Attention Charles Rubio, Esq. and Max Beatty, attorneys for the Debtors, and (b) the Office of the U.S. Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attention: Hector Duran, Esq.~~

7. ~~11.~~ The Debtors are authorized to take all actions necessary to effectuate the relief granted by this order.

8. ~~12.~~ This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this order.

SIGNED this _____ day of _____, 2018.

UNITED STATES BANKRUPTCY JUDGE

~~AGREED AS TO FORM AND SUBSTANCE ON AN INTERIM BASIS (all rights reserved on a final basis):-~~

~~Proposed Counsel to Debtors~~

~~/s/ Charles M. Rubio _____
Charles M. Rubio
Diamond McCarthy LLP
909 Fannin, Suite 3700
Houston, TX 77010
(713) 333-5100
crubio@diamondmccarthy.com~~

~~Counsel for CD Homes and Bob Parker~~

~~/s/ Richard L. Fuqua _____
Richard L. Fuqua
5005 Riverway, Suite 250
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(713) 960-0277
(713) 960-1064 facsimile
rlfuqua@fuqualegal.com~~

~~Counsel for Hmaiden and Hmaiden, LLC~~

~~/s/ Jason D. Kraus _____
Jason D. Kraus
The Kraus Law Firm
5625 Cypress Creek Parkway #308
Houston, Texas 77069
Telephone: 281.781.8677
Facsimile: 281.840.5611
jdk@krausattorneys.com~~

~~Counsel for Spirit of Texas Bank, ssb~~

~~/s/ Bruce J. Ruzinsky _____
Bruce J. Ruzinsky
Jackson Walker L.L.P.
1401 McKinney, Suite 1900
Houston, Texas 77010
(713) 752-4204 (Direct)
(713) 308-4155 (Direct Fax)
bruzinsky@jw.com~~

Exhibit A

Commitment Letter

[INSERT]

Exhibit B

Houtex Budget

[INSERT]

Exhibit B-2

Supplemental Houtex Budget

On a weekly basis:

G&A Expenses: \$1,300

Construction vendor/supplier payments: \$0

Utilities and insurance: \$430

On a monthly basis:

Debtor Legal Fees: \$10,700

On a quarterly basis:

U.S. Trustee Fees: Amount required under 28 U.S.C. § 1930(a)(6)

Exhibit C

Shadywood Budget

[INSERT]

Exhibit C-2

Supplemental Shadywood Budget

On a weekly basis:

G&A Expenses: \$1,300

Construction vendor/supplier payments: \$650

Utilities and insurance: \$320

On a monthly basis:

Debtor Legal Fees: \$10,700

On a quarterly basis:

U.S. Trustee Fees: Amount required under 28 U.S.C. § 1930(a)(6)

Exhibit D

Looscan Budget

[INSERT]

Exhibit D-2

Supplemental Looscan Budget

On a weekly basis:

G&A Expenses: \$1,300

Construction vendor/supplier payments: \$650

Utilities and insurance: \$10

On a monthly basis:

Debtor Legal Fees: \$10,700

On a quarterly basis:

U.S. Trustee Fees: Amount required under 28 U.S.C. § 1930(a)(6)

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Moved deletion	
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Deleted cell	
Moved cell	
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Padding cell	

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Moved to	0
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Format changed	0
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